

FISCAL NOTE

HB 279 - SB 1276

February 10, 2005

SUMMARY OF BILL: Adds the "Small Business Regulatory Flexibility Act" to the Uniform Administrative Procedures Act. Requires state agencies to prepare economic impact statements for proposed legislation that may have adverse effects on small businesses. The bill also provides agencies a four-year period, which could be extended up to one additional year, to examine existing rules and perform similar analyses. Reviews would be required every five years after the filing date for rules adopted following enactment of this bill.

ESTIMATED FISCAL IMPACT:

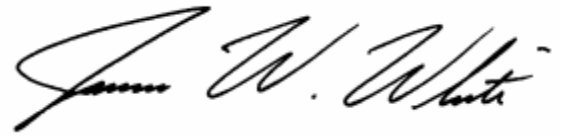
**Increase State Expenditures – Exceeds \$700,000 Recurring
\$100,000 One-Time**

Assumptions:

- "Small business" defined as fewer than 50 full-time employees or gross annual sales of less than \$6,000,000.
- For any new rule filed by a state agency, an economic impact analysis would consider the minimization of adverse impacts on small businesses, simplified reporting requirements, and specialized performance standards.
- Agencies report the intent of any rule change to the Department of Economic and Community Development (ECD) which advises and assists other agencies in achieving compliance with the provisions of this bill.
- Substantial economic analysis will be required by state agencies.
- Fourteen new staff members would be required (three for ECD, one for the Department of Finance and Administration, and ten for the remaining state agencies).
- Average annual salaries, including benefits, for all additional staff members are estimated at \$57,000 each.
- Estimated increase in state expenditures is \$798,000 (14 total new staff members X \$57,000 average salary = \$798,000).
- Estimated one-time increase in state expenditures of \$100,000 for office setup for additional staff members.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director